United Nations DP/2002/35/Add.1

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
3 September 2002

Original: English

Second regular session 2002
23 to 27 September 2002
Item 7 of the provisional agenda
UNOPS: Financial, budgetary and administrative matters

Action plan on savings from projected staff cuts*

I. Introduction

1. The present document has been prepared in response to Executive Board decision 2002/13 of 27 June 2002, paragraph 14, and is an integral part of the implementation of the recommendations of the Board of Auditors for the biennium 2000-2001 (paragraph 67), as presented to the Executive Board at its annual session 2002. The document outlines the procedures applied by the United Nations Office for Project Services (UNOPS) in the re-dimensioning of its human resources during the 2002 UNOPS budgetary reduction exercise. It contains information that satisfies the conditions set by the Executive Board, i.e., that United Nations Staff Regulations and Rules have been complied with and will continue to be complied with in any future exercises of similar nature, should there be a need to further generate savings from personnel cuts.

II. Planning and implementation of the personnel cuts

2. As already reported to the Executive Board at its annual session 2002 in the ad hoc submission of the revised budget estimates for 2002 (DP/2002/CRP.10), actions taken by UNOPS to generate savings from personnel cuts stemmed from the outcome of a series of management reviews, validated by a special business review and planning process put in place to meet the challenges of 2002.

3. The Executive Director established and chaired an Executive Group to assist him in appropriately re-dimensioning the UNOPS budget for 2002 in light of the expected income for the year.

4. The Executive Group was charged with and committed to closing the income-expenditure gap for 2002. Following a business-driven approach, the Executive Group reviewed the work programmes of operations and support divisions and developed criteria that would help to concentrate resources to: (a) contribute directly and immediately to delivery and income generation; (b) maintain the minimum corporate support necessary for control and oversight; and (c) establish a framework for a sustainable UNOPS in 2003 and beyond.

In applying the above criteria, the Executive Group focused on the elimination, consolidation or relocation of functions, as well as a reduction in the total work force.

5. The Human Relations Task Force was entrusted with the implementation of the decisions of the Executive Group as they affected personnel. The main tasks of the Human Relations Task Force were as

02-58197 (E) 170902

follows: (a) facilitate implementation of the human resources measures emanating from the Executive Group report and (b) ensure compliance with the provisions of the United Nations Staff Regulations and Rules. As a result of its work, the Task Force was able to identify individuals who would be affected by the implementation of Executive Group decisions and to determine which action to take vis-à-vis those individuals while fully keeping within the established human resources norms. As already reported in DP/2002/CRP.10, the Task Force conducted its work on the basis of the detailed Human Resources Guidelines, developed especially for this purpose, as well as a set of Selection Guidelines. The Human Resources Guidelines served as an easily accessible summary of relevant provisions of the Staff Regulations and Rules and relevant policy circulars issued by UNOPS and UNDP (the actual texts of the regulations, rules and policy circulars represent official, definitive statements on these matters). The Human Resources Guidelines adhered strictly to the relevant United Nations Staff Regulations and Rules and were endorsed by the staff representative bodies. They also served as an aid to staff in understanding the range of staffing issues related to the budgetary reduction exercise. The Selection Guidelines were intended to serve as a procedural tool to be used by a special selection panel established for this purpose when reviewing individual applications for posts that were to be filled in connection with the budgetary reduction exercise.

6. Parallel to the proceedings of the HR Task Force, an Implementation Group conducted the overall review of the implementation of all cost-reduction measures, covering both non-personnel and personnel. The main tasks of the Implementation Group were to: (a) monitor implementation of the provisions of the report of the Executive Group; (b) ensure that Implementation Group decisions were carried out within parameters established by the Executive Group; (c) provide guidance and support to task forces, units and individuals in charge of implementing Implementation Group decisions; and (d) review periodically, update and enforce all relevant budgetary and financial parameters for 2002. The Implementation Group was also directed to devise means to address the income-expenditure gap and follow up on issues identified in the report as requiring further analysis.

7. While preparing for the implementation of the decisions emanating from the recommendations of the Executive Group, a review was undertaken of the overall UNOPS staffing table. This entailed determining those vacant posts that were actual, current and needful of being filled in the best interests of the organization. As a result of this review, vacant posts that had not been budgeted for in 2002 were formally abolished and deleted from the UNOPS staffing table. Upon completion, the list of vacancies was reviewed by the Implementation Group, which further reduced the number of actual vacant posts that were deemed essential and, therefore, required to be filled. In total, 75.5 posts against the administrative budget were abolished. This information was provided in table 3 of DP/2002/CRP.10. The remaining vacant posts that were actual, current and in need of being filled in the best interests of the organization, totaling 21.5, were subsequently advertized.

8. A total of 59 staff members were initially affected in the course of the budgetary reduction exercise. Of these, 12 staff members were placed in new positions through the comprehensive vacancy announcement and selection process of May/June 2002 and three staff members had their letters withdrawn, as a result of subsequent alternative arrangements having been identified. In the final analysis, a total of 44 staff members were affected. Details of the 44 staff in question are reflected in section C of table 1 below. While the overall total of 44 affected staff remains firm, the personal status of each of these individual staff members (i.e. C(i) – C(v) of table 1) may change as the second half of 2002 progresses.

Table 1: summary status – staff

A. Staff initially affected	22	15	9	13	59
B (i). Staff whose letters were withdrawn			2	1	3
B (ii). Staff placed through the vacancy announcement process	5	5	1	1	12
C(i). Staff transferred/selected for projects		4	3		7
C (ii). Staff on special leave without pay		1		1	2
C (iii). Staff placed in another agency	1				1
C (iv). Staff separated effective 30/06/02		2	3	6	11
C (v). Estimated staff to end assignment or appointment with UNOPS effective 30/09/02	16	3		4	23
C. Total	17	10	6	11	44

9. Using pro-forma costs and assuming that, otherwise, these 44 staff members would have been employed by UNOPS during the entire year, it is estimated that savings of some $2.1 million have been generated for 2002 by discontinuing charges against the administrative budget, effective 1 July 2002, in respect of these staff. This corresponds to $4.2 million for an entire year, which does not include cost reductions achieved by the non-renewal or foreshortening of 27 New York-based special service agreement (SSA) contract holders, representing a

cost reduction of some $0.85 million when assuming that they would have otherwise been employed for the entire 2002. This in turn corresponds to $1.35 million for an entire year.

III. Action plan for monitoring figures of human resources savings

10. The foregoing depicts a scenario of managerial vigilance, programmatic responsiveness, budgetary responsibility and overarching commitment to continued organizational viability. These same elements will continue to characterize management at UNOPS during 2003 and beyond.

11. As and when it may again become necessary to consider additional administrative measures so as to pre-empt or respond to a further income-expenditure gap, the Implementation Group will be reconvened. Possible further reduction in both non-personnel and personnel costs will be reviewed by the Implementation Group. If, subsequent to the review of the Implementation Group, decisions are made to further re-dimension personnel levels at UNOPS, the same procedures and guidelines used in the 2002 exercise will continue to be rigorously applied.